

**VOLUNTARY CLEANUP CONTRACT
17-5747-NRP**

**IN THE MATTER OF
PORT ROYAL, BEAUFORT COUNTY
and
GREY GHOST PROPERTIES, LLC**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and Grey Ghost Properties, LLC with respect to the Property located at Port Royal Redevelopment Tract on Battery Creek extending from Ribaut Road to 6th Street, Beaufort, South Carolina. The Property includes approximately 317 acres identified by Tax Map Serial Number(s) R113010-000-0075, R113-010-000-0077, R113-010-000-0079A, R113-010-000-0079, R113-010-000-182A, and R113-010-000-182C. In entering this Contract, the Department relies on the representations contained in the "Non Responsible Party Application for Voluntary Cleanup Contract" of August 8, 2017, and any amendments thereto, by Grey Ghost Properties, LLC, which is incorporated into this Contract and attached as Appendix A.

AUTHORITY

This Contract is entered into pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. §§ 44-56-710, et seq. (2002 & Supp. 2016); the South Carolina Hazardous Waste Management Act (SCHWMA), S.C. Code Ann. §§ 44-56-10, et seq. (2002 & Supp. 2016); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601, et seq. (1994); the State Underground Petroleum Environmental Response Bank Act, (SUPERB Act), S.C. Code Ann. §§ 44-2-10, et seq. (2002 & Supp. 2016); and the Pollution Control Act, S.C. Code Ann. §§ 48-1-10 et seq. (2008 & Supp. 2016).

DEFINITIONS

1. Unless otherwise expressly provided in this Contract, terms used herein shall have

the meaning assigned to them pursuant to the Brownfields/Voluntary Cleanup Program, and if not set forth therein, shall have the meaning assigned to them pursuant to the SCHWMA, the PCA, the SUPERB Act, or CERCLA.

- A. "Grey Ghost" means Grey Ghost Properties, LLC.
- B. "Beneficiaries" means Grey Ghost's Non-Responsible Party lenders, signatories, parents, subsidiaries, and successors, including new purchasers, lessees, and other parties acquiring an interest in any portion of the Property, but only to the extent that such parties have never been a Responsible Party at the Site.
- C. "Contamination" means the presence of a contaminant, pollutant, hazardous substance, petroleum, or petroleum product.
- D. "Contract" means this Voluntary Cleanup Contract.
- E. "Department" means the South Carolina Department of Health and Environmental Control, or a successor agency of the State of South Carolina that has responsibility for and jurisdiction over the subject matter of this Contract.
- F. "Existing Contamination" shall mean any Contamination present on, or under, the Site as of the execution date of this Contract.
- G. "Property" means the real property as described in the Non Responsible Party Application for Voluntary Cleanup Contract attached as Appendix A, and that is subject to the ownership, prospective ownership, or possessory or contractual interest of Grey Ghost or its Beneficiaries.
- H. "Segregated Sources" means drums, tanks, or similar discrete containers that potentially hold substances that may cause Contamination upon release to the

environment.

- I. "Site" means all areas where a contaminant, petroleum, or petroleum product has been released, deposited, stored, disposed of, or placed or otherwise comes to be located; "Site" does not include any consumer product in consumer use or any vessel.
- J. "Waste Materials" means any Contamination-causing solid, semi-solid, or liquid material discarded, buried, or otherwise present on the Property, and may include sludge, slag, or solid waste materials such as empty containers and demolition debris or materials containing asbestos, lead-based paint, or petroleum or other contaminants.

FINDINGS

- 2. Based on the information known by or provided to the Department, the following findings are asserted for purposes of this Contract:

- A. Owners and Operators: The owners and operators of the Property include the following:

South Carolina Ports Authority

1940s - Present

- B. Property and Surrounding Areas: The Property is bounded generally to the north by Ribaut Road with residential property and Martin Landscape Company beyond; to the west by residential property with Battery Creek beyond; to the east by residential property with Pender Brothers, Inc. beyond; and to the south by a boat landing, Sands Beach, and Battery Creek.

After years of decline, the Port Royal phosphate industry ended in 1893. In 1899, the Charleston and Western Carolina Railroad took ownership of the rail yard, the shipping dock, and the warehouse currently identified as Building 601. From 1912

to 1924, the Tidewater Fertilizer and Storage Company operated in the southern portion of Building 601.

In 1942, the South Carolina State Ports Authority (SCSPA) declared Port Royal an active Port. Construction of the Port was finalized in 1958. Due to loss of revenue, the South Carolina state legislature ordered the SCSPA to cease operations and sell the Property by the end of 2006. Historical uses of the Property include a SCSPA facility, a cement storage facility, offices, warehouses, a dry stack boat storage facility, a seafood processing facility, a seafood restaurant, and a seafood market.

The Property was subject to several environmental investigations including: Phase I Environmental Site Assessment (Phase I) dated April, 2005, Limited Phase II ESA dated August 2005, Follow-Up Phase II ESA dated October 2005 and another Phase I ESA dated November 2007.

In summary, arsenic and mercury were detected in soils exceeding the EPA Region 9 industrial Preliminary Remediation Goals (PRGs). Additionally, groundwater samples from temporary wells revealed levels of lead and barium in excess of EPA Maximum Contaminant Levels (MCLs). The Follow-Up Phase II ESA was conducted to determine if these metals concentrations in excess of MCLs were a result of turbidity. The Follow-Up Phase II ESA did not detect metals in excess of MCLs. It was therefore concluded that the activities conducted on the Property did not impact the groundwater in excess of MCLs.

The Phase I performed by S&ME in preparation for this Contract, dated July 25, 2017 did not identify any recognized environmental conditions; however, it included the following findings:

- Portions of the Property were listed on the environmental databases in the

report produced by the EDR Corporation, including the Leaking Underground Storage Tank (LUST), Underground Storage Tank (UST), State Hazardous Waste Sites (SHWS), SC Brownfields, and Voluntary Cleanup Program (VCP) databases.

- One 10,000-gallon double-walled above-ground storage tank (AST) used to fuel fishing boats is located west of Building 630 on the portion of the Property located at the west end of 11th Street.
- A small AST and several 55 gallon drums and smaller containers of varying sizes are present throughout the Property. No significant spills or stains were observed around the containers.
- Three USTs were removed from a seafood processing facility on the Property in the 1990s. Two petroleum releases associated with the former USTs were investigated in the past. Both petroleum releases were issued no further action status (NFA) status by the Department's UST program.

C. Applicant Identification: Grey Ghost is a South Carolina limited liability company with its principal place of business located at 70 Sea Island Parkway, Beaufort, South Carolina 29907.

D. Proposed Redevelopment: Grey Ghost will acquire the Property and intends to develop the Property for mixed use including waterfront development and a marina available for public use through the leasing of slips.

CERTIFICATIONS

3. Grey Ghost has certified upon application that: 1) Grey Ghost is not a Responsible Party at the Site, or a parent, successor, or subsidiary of a Responsible Party at the Site and has not had any involvement with the Property in the past other than activities performed in anticipation of participation in the Voluntary Cleanup Program; 2) its activities will not aggravate or contribute to Existing Contamination on the Site or pose significant human health or environmental risks; and, 3) it is financially viable

to meet the obligations under this Contract.

RESPONSE ACTION

4. Grey Ghost agrees to conduct the response actions specified in the sub-paragraphs below. An initial Work Plan shall be submitted by Grey Ghost, or its designee, within thirty (30) days after the date of execution of this Contract by the Department, or such earlier or later date if approved by the Department's project manager. A report of the assessment results shall be submitted by Grey Ghost, or its designee in accordance with the schedule provided in the initial Work Plan. Grey Ghost acknowledges that the assessment may find distributions of Existing Contamination requiring additional assessment and/or corrective action on the Property that cannot be anticipated with this Contract. Grey Ghost agrees to perform the additional assessment and/or corrective action consistent with the intended uses of the Property under the purview of this Contract; however, Grey Ghost may seek an amendment of this Contract to clarify its further responsibilities. Grey Ghost shall perform all actions required by this Contract, and any related actions of Grey Ghost's choosing not expressly required by this Contract, pursuant to Work Plans and/or Addenda approved by the Department.

A. Work Plan Logistics:

- 1). The Work Plan(s) shall set forth a schedule and methods for assessment and corrective action activities detailed herein.
- 2). The Work Plan(s) shall be submitted to the Department in the form of one hard copy and one electronic copy of the entire Work Plan on a compact disk (in .pdf format).
- 3). All activities undertaken pursuant to this Contract shall be consistent with S.C. statutes, regulations, and permitting requirements (e.g., stormwater management and waste disposal regulations). Grey Ghost shall identify and obtain the applicable permits before beginning any action.
- 4). The Work Plan(s) shall be in accordance with accepted industry standards and

shall be signed and sealed by a Professional Engineer or Professional Geologist duly-licensed in South Carolina.

- 5). The Work Plan(s) shall provide detailed information about the proposed sampling points, collection methods, analytical methods, quality assurance procedures, and other pertinent details of the assessment and/or corrective measures activities consistent with the following:
 - a). Sample collection methodologies shall be consistent with the US EPA Region IV Field Branches Quality System and Technical Procedures.
 - b). All monitoring wells and groundwater sampling points shall be constructed in accordance with Well Standards, 6 S.C. Code Ann. Regs. 61-71 (2002 & Supp. 2016). The Work Plan shall provide sufficient detail to support issuance of the well approvals by the Department.
 - c). The laboratory analyses for samples taken pursuant to the Work Plan are specified in the media-specific sub-paragraphs below, but may include any of the following:
 - i. the full EPA Target Analyte List (TAL);
 - i). EPA Target Analyte List excluding cyanide (TAL-Metals);
 - ii. the full EPA Target Compound List (TCL);
 - i). EPA Target Compound List Volatile Organic Compounds (TCL-VOCs);
 - ii). EPA Target Compound List Semi-Volatile Organic Compounds (TCL-SVOCs);
 - iii). EPA Target Compound List Pesticides (TCL-Pesticides);
 - iv). EPA Target Compound List Polychlorinated Biphenyls (TCL-PCBs).
 - d). All analytical methods shall use appropriate detection levels to allow comparison to the media-specific screening criteria listed in the "United States Environmental Protection Agency Regional Screening Levels for Chemical Contaminants at Superfund Sites" (EPA RSLs) in effect at the time of sampling. The applicable Protection of Groundwater Soil Screening

Level (SSL) shall be the "MCL-Based SSL", if listed. If the applicable screening criteria are lower than achievable detection levels, the analytical method shall use the lowest achievable detection levels.

- 6). The Work Plan shall include the names, addresses, and telephone numbers of Grey Ghost's consulting firm(s), analytical laboratories, and Grey Ghost's contact person for matters relating to this Contract and the Work Plan.
 - a). The analytical laboratory shall possess applicable Certification defined in the State Environmental Laboratory Certification Program, 7 S.C. Code Ann. Regs. 61-81 (2012), for the test method(s) and parameters specified in the Work Plan.
 - b). Grey Ghost shall notify the Department in writing of any changes concerning the consulting firm(s), contact person(s), or laboratory identified in the Work Plan.
- 7). The Department will notify Grey Ghost in writing of approvals or deficiencies in the Work Plan.
- 8). Grey Ghost, or its designee, shall respond in writing within thirty (30) days of receipt of any comments on the Work Plan by the Department.
- 9). Grey Ghost shall begin implementation of the Work Plan as soon as reasonably possible after receipt of written approval of the Work Plan by the Department.
- 10). Grey Ghost shall inform the Department at least five (5) working days in advance of all field activities conducted pursuant to the Work Plan, and shall allow the Department, or its authorized representatives, to take duplicates of any samples if desired.
- 11). Grey Ghost shall preserve items on the Property that may: 1) provide evidence of a Potentially Responsible Party's involvement at the Site; 2) lead to the discovery of other areas of Contamination at the Site; or 3) contain environmental information related to the Site. Such items may include drums, bottles, labels, business and operating records, contracts, Site studies, investigations, and other physical or written materials relating to the Site. Grey

Ghost shall notify the Department of the location of any such items, and provide the Department with an opportunity to inspect any materials or copy any documents at the Department's expense prior to destruction of said items.

B. Report Logistics

- 1). Report(s) shall be prepared in accordance with accepted industry standards and shall be certified by signature and seal of a Professional Engineer or Professional Geologist duly licensed in South Carolina.
- 2). The report(s) of assessment and/or corrective measures activities shall include a discussion of investigation methods and any deviations from the Department approved Work Plan. Report(s) shall also include tables and figures to summarize all data, a surveyed map documenting sampling locations, documentation of field observations including well core logs, sample descriptions, field screening results, and all laboratory analytical data.
- 3). All report(s) shall be submitted to the Department in the form of one hardcopy and one electronic copy of the entire report on a compact disk (in .pdf format).

C. Assess Waste Materials and Segregated Sources:

- 1). Grey Ghost shall characterize all Waste Materials and Segregated Sources identified below. Assessment shall include an evaluation of contaminant concentrations and an estimation of the quantity or extent of each type of Waste Material or Segregated Source, as applicable, or as specified below.
 - i. The ASTs and drums described in Paragraph 2.B above.
- 2). Grey Ghost shall also characterize for disposal any other Waste Material and Segregated Sources that may be discovered on the Property at any time during assessment, corrective action, or development activities in accordance with applicable regulations.
- 3). Upon discovery of any Segregated Source that has not yet released all of its contents to the environment, Grey Ghost shall expeditiously stabilize or remove the Segregated Source from the Property.

- 4). Grey Ghost shall immediately notify the Department if a release of Contamination occurs as a result of its assessment, stabilization or removal actions. Grey Ghost shall assess the impact of the release and take necessary action in accordance with a Department approved plan.

D. Conduct a well survey:

- 1). Grey Ghost shall map all public and private wells used for drinking water supply within a one-half mile radius of the Property, and wells used for irrigation or other non-drinking water use within a one-quarter mile radius.
- 2). Grey Ghost shall report sufficient information to the Department to allow the Department to secure permission to sample the wells. At a minimum, this information shall include the: 1) Location of the well; 2) Identity and mailing address of the well owner; and, 3) Telephone number, if publicly available or otherwise known to Grey Ghost, of the well owner or occupant of the residence served by the well.

E. Assess soil quality across the Property:

- 1). Grey Ghost shall collect and analyze soil samples from locations on the Property as noted below. Grey Ghost shall collect one surface soil sample (0-1 foot below ground surface) and one subsurface soil sample (2 foot minimum depth) from each of the following locations:
 - a). Two (2) background locations from within the northern portion of the Property, which is currently undeveloped. These samples shall be analyzed for TAL metals only;
 - b). One (1) location from within the loading areas associated with each of the 100,000 gal (ASTs) containing calcium nitrate fertilizer (identified in the 2007 Phase I);
 - c). One (1) location from within the former coal storage area depicted in the 1942 Sanborn Map (Page 505 of the 2017 Phase I);
 - d). Three (3) locations along the portion of the rail line between the warehouse

- and the restaurant composited for one (1) surface sample and one (1) subsurface sample;
- e). Two (2) locations adjacent to the aboveground oil-water separator located to the west of the maintenance shop (Building 607). These samples shall be collected from the most likely points of release;
 - f). One (1) location from within the loading/dispensing area of the 10,000-gallon fuel (AST);
 - g). With exception of the boat storage building, upon demolition of the structures on the Property, one (1) surface soil and corresponding subsurface soil sample shall be collected for every approximate 2,500 ft² within the footprint of each structure; changes to the frequency of sample locations and requests for compositing soil samples may be considered depending on the proposed use of each area. The sample locations shall be biased toward any visible staining, if present.
- 2). Unless otherwise specified above, each surface soil sample shall be analyzed for TAL-Metals and SVOCs. Each subsurface sample shall be analyzed for TAL-Metals, VOCs and SVOCs. A minimum of one (1) surface and one (1) subsurface samples from a location near the oil-water separator shall be analyzed for the full EPA-TAL (includes cyanide) and EPA-TCL.
- 3). Soil quality results shall be compared to the EPA RSL Resident and Industrial Screening Levels and to the applicable Protection of Groundwater SSL.

F. Assess groundwater quality:

- 1). Grey Ghost shall assess groundwater quality and flow direction across the Property. Assessment shall include samples from a minimum of five (5) monitoring wells to be installed to bracket the water table. Specific locations shall be as follows:
 - a). One (1) monitoring well shall be installed in the northern, undeveloped

- portion of the Property to serve as a background well;
- b). One (1) monitoring well shall be installed near Building 630 in an area representative of potential releases from the 10,000 gallon AST located west of Building 630;
 - c). One (1) monitoring well shall be installed near the former vehicle maintenance garage in a location representative of potential releases from the garage and the nearby aboveground oil-water separator;
 - d). One (1) monitoring well within the portion of the rail line between the warehouse and the restaurant; and
 - e). One (1) monitoring well to the east of the warehouse near the ASTs.
 - f). Samples from all groundwater monitoring wells shall be analyzed for TAL-Metals, VOCs and SVOCs. In addition, the sample from the well located east of the warehouse shall be analyzed for the full EPA-TAL (includes cyanide) and EPA-TCL.
 - g). Groundwater quality results shall be compared to the MCL standards in the State Primary Drinking Water Regulations, 4 S.C. Code Ann. Regs. 61-58 (2011 & Supp. 2016), or, if not specified in R.61-58, to the EPA RSL for "Tapwater."

G. Assess surface water and sediment quality:

- 1). Grey Ghost shall collect and analyze four (4) sediment and four (4) water samples from water bodies on the Property. In instances where the locations identified below are not on the Property, the locations will either be moved in an attempt to meet the requirements of this section, or not collected. The samples shall be collected as follows:
 - a). Three (3) sediment samples shall be collected from Battery Creek in locations of potential releases from the former industrial operations. Surface water samples shall be collected from corresponding sediment sample locations.
 - b). Grey Ghost shall determine the point of discharge of the drain line present

in the former maintenance shop (Building 607). One (1) surface soil or sediment sample, as applicable, shall be collected from the point of discharge. Additionally, a surface water sample shall be collected from Battery Creek at a location potentially impacted by the drain line. This soil/sediment and surface water sample shall be analyzed for TAL metals, TCL volatile organic compounds (VOCs), and TCL semi-volatile organic compounds (SVOCs).

- 2). Sediment samples shall be analyzed for full EPA TAL/TCL parameters. Surface water samples shall be analyzed for TAL metals, TCL VOCs, and TCL SVOCs.
- 3). Surface water quality results shall be compared to the values in the Water Classifications and Standards, 6 S.C. Code Ann. Regs. 61-68 (2012, as amended), based on consumption of either “water and organisms” or “organisms only” as applicable for the water body. Sediment samples shall be compared to the Ecological Screening Values in EPA Region 4 Ecological Risk Assessment – Supplement to Risk Assessment Guidance for Superfund (RAGS).

H. Evaluate and control potential impacts to indoor air:

- 1). Grey Ghost shall evaluate potential impacts to indoor air if the Department determines that the concentrations of VOCs present in the subsurface pose a threat to indoor air quality based on EPA OSWER “Technical Guide for Assessing and Mitigating the Vapor Intrusion Pathway from Subsurface Vapor Sources to Indoor Air” dated June 2015 and supplemental EPA guidance (“Vapor Intrusion Technical Guide”). The Department’s decision will be constrained towards predicting residential or commercial exposures consistent with the building construction that is proposed to be used on the Property.
- 2). If required, Grey Ghost shall submit a Vapor Intrusion Assessment Work Plan followed by a report of the results.

- a). For future buildings, Grey Ghost's evaluation of vapor intrusion risk shall, unless otherwise agreed to by the Department, consist of collection and analysis of a representative number of soil gas samples from the proposed footprint of buildings to be constructed on the Property over areas potentially subject to vapor intrusion.
- b). Soil gas samples shall be analyzed for all site related volatile compounds by appropriate methods capable of detecting soil gas concentrations at screening levels indicative of a 10^{-6} cancer risk or a hazard quotient of 1 (or 0.1 as applicable) for non-carcinogens based on an appropriate attenuation factor.
- c). Soil gas sampling results and predicted indoor air concentrations shall be compared to screening levels indicative of a 10^{-6} cancer risk or a hazard quotient of 1 (or 0.1 as applicable) for non-carcinogens based on the Vapor Intrusion Technical Guide.
- d). For existing buildings, Grey Ghost's evaluation of vapor intrusion risk shall, unless otherwise agreed to by the Department, consist of collection and analysis of a representative number of indoor air, soil gas, and sub-slab soil gas samples over areas potentially subject to vapor intrusion. Assessment activities shall also include evaluation of other factors that may affect vapor intrusion as discussed in the Vapor Intrusion Technical Guide.
- e). Indoor air samples shall be collected from within the building during a minimum of two separate sampling events approximately six months apart. One sampling event shall be in the winter. The samples collected for laboratory analysis may use either active or passive collection methods provided the same protocol is used for both sampling events.
- f). All indoor air, soil gas and sub-slab soil gas samples shall be analyzed for all site related volatile compounds by appropriate methods capable of detecting concentrations at screening levels indicative of a 10^{-6} cancer risk or a hazard quotient of 1 (or 0.1 as applicable) for non-carcinogens, and using appropriate attenuation factors for soil gas and sub-slab soil gas.

- g). Indoor air quality results shall be compared to the current EPA RSL Resident Air and Industrial Air Screening Levels. The Department shall give reasonable consideration of data or other demonstration that shows unacceptable exposures inside the building do not result from the subsurface conditions.
 - h). Soil gas and sub-slab soil gas sampling results shall be compared to screening levels indicative of a 10^{-6} cancer risk or a hazard quotient of 1 (or 0.1 as applicable) for non-carcinogens for the proposed use of the Property. Comparison criteria shall be based on the Vapor Intrusion Technical Guide.
- 3). Should the results of the Vapor Intrusion Assessment indicate that contaminant concentrations exceed levels indicative of a 10^{-6} cancer risk or a hazard quotient/hazard index of 1 for non-carcinogens for the proposed use of the Property, Grey Ghost shall evaluate options for corrective measures and engineering controls to ensure acceptable indoor air quality. At a minimum, Grey Ghost shall propose and implement engineering controls to mitigate contaminant vapor intrusion to meet acceptable levels in accordance with Paragraph 4.I of this Contract.
- 4). The Department may allow Grey Ghost to implement pre-emptive vapor intrusion mitigation measures in lieu of the above Vapor Intrusion Assessment. Vapor intrusion mitigation measures shall be completed and evaluated in accordance with Paragraph 4.I of this Contract.
- I. Institute reasonable Contamination control measures:
 - 1). Grey Ghost shall remove from the Property and properly dispose of all Waste Materials and Segregated Sources of Contamination in accordance with applicable regulations based on characterization results.
 - a). Waste Materials and Segregated Sources known to be present on the Property and that require removal include, but may not be limited to, the following:

- i. The ASTs and drums described in Paragraph 2.B above.
 - b). Grey Ghost shall document the characterization results and ultimate disposition of the materials to the Department within sixty (60) days of removal of any material from the Property.
 - c). Subject to Department approval, buried Waste Materials, if present, may be stabilized in place on the Property in a manner that will effectively limit or prevent human exposure and release of contaminants to the environment. If any Waste Materials are to be stabilized in place, Grey Ghost shall propose plans for stabilization of the Waste Materials in a Corrective Measures Plan in accordance with Paragraph 4.1.2 below. Grey Ghost shall also enter into a Declaration of Covenants and Restrictions to document the area of stabilization, and to maintain the stabilization measures in accordance with Paragraph 9 of this Contract.
- 2). Grey Ghost shall take reasonable measures to effectively limit or prevent human exposure to Existing Contamination in any media on the Property. Grey Ghost shall evaluate options for corrective measures in an Analysis of Brownfields Cleanup Alternatives (ABCA). Upon Department approval of the corrective measures selected in the ABCA, Grey Ghost shall prepare a Corrective Measures Plan. The Corrective Measures Plan shall be approved by the Department prior to implementation, and shall be consistent with the intended future use of the Property.
- a). Corrective measures shall be required for Contamination present in any media on the Property with concentrations in excess of appropriate human-health risk-based exposure standards with plausibly complete routes of exposure.
 - b). Grey Ghost may request Department approval to conduct a site-specific risk assessment to determine levels of Contamination that are acceptable for the intended use of the Property. The risk assessment shall be conducted in accordance with EPA Risk Assessment Guidance for Superfund. Prior to conducting the risk assessment, Grey Ghost shall submit for Department

approval, an overview of risk assessment assumptions including identification of Contamination exposure routes, the type and duration of possible exposures, the magnitude of exposure, and any data gaps that need to be addressed to complete the risk assessment.

- c). Corrective measures may include removal, encapsulation, barriers, or other methods reasonably expected to limit human exposures to the Contamination. Subject to Department approval, corrective measures may include a land use restriction in accordance with Paragraph 9 (Declaration of Covenants and Restrictions) of this Contract
 - d). If required, vapor intrusion control measures shall be designed to effectively mitigate vapor intrusion risk to a 10^{-6} risk for carcinogens and a hazard quotient/hazard index of 1 for non-carcinogens based on current EPA RSLs and guidance on vapor intrusion. All vapor intrusion control measures shall include monitoring to confirm that the vapor mitigation system is effective, and procedures to ensure and document proper and effective operation and maintenance of the vapor intrusion mitigation system for as long as it is required at the Property. The Department shall give reasonable consideration of data or other demonstration that shows any unacceptable indoor air contaminant concentrations do not result from the subsurface conditions.
 - e). Upon completion of any corrective measures, Grey Ghost shall provide a Corrective Measures Report to document satisfactory completion of the corrective measures for Department review and approval prior to obtaining a Certificate of Completion.
- 3). In the event that development of the Property will require disturbance of contaminants in soil or groundwater, Grey Ghost shall propose a Media Management Plan. The Media Management Plan shall address management of contaminated media when encountered on the Property, its characterization if necessary for offsite disposal, and identification of the final disposal location for all contaminated media.

- 4). In the event that corrective measures include engineering controls that must be maintained and monitored for future use of the Property, a Stewardship Plan may be required by the Department. If required, the Stewardship Plan shall identify procedures for management of contaminated media that may be encountered as a result of any disturbance of the engineering controls, and for repair or replacement of the engineering controls.

J. Monitor and/or abandon the monitoring wells:

- 1). Grey Ghost shall implement a groundwater-monitoring program if required by the Department. Continued monitoring requirements will be based on the Department's determination of potential adverse effects on nearby receptors, i.e., individuals that are presently or potentially exposed to Contamination.
- 2). The Department will determine the frequency and duration of the monitoring program on a case-specific basis.
- 3). Grey Ghost shall abandon the monitoring well(s) when the Department determines there are no further needs for wells. The wells shall be abandoned in accordance with Well Standards, 6 S.C. Code Ann. Regs. 61-71 (2002 & Supp. 2016).

HEALTH AND SAFETY PLAN

5. Grey Ghost shall prepare and submit under separate cover from the Work Plan, a Health and Safety Plan consistent with Occupational Safety and Health Administration regulations. The Health and Safety Plan shall be submitted to the Department in the form of one electronic copy on compact disk (in .pdf format). Grey Ghost agrees that the Health and Safety Plan is submitted to the Department only for informational purposes. The Department expressly disclaims any liability that may result from implementation of the Health and Safety Plan by Grey Ghost.

PUBLIC PARTICIPATION

6. Grey Ghost and the Department will encourage public participation to implement this

Contract as follows:

- A. The Department will provide notice, seek public comment, and initiate a thirty (30) day claim contribution notification period in accordance with established procedures consistent with S.C. Code Ann. § 44-56-750 upon signature of this Contract by Grey Ghost.
- B. Grey Ghost shall erect a sign at major entrances onto the Property or other locations routinely accessible by the public. The sign(s) shall be erected no later than one (1) day after the Department's public announcement about the Contract in a newspaper of general circulation in the community.
 - 1). The sign(s) will state "Voluntary Cleanup Project by Grey Ghost Properties, LLC under Voluntary Cleanup Contract 17-5747-NRP with the South Carolina Department of Health and Environmental Control." The sign(s) shall provide a brief description of the scope of activities under the Contract, and contact information, including telephone number and address, for a representative of Grey Ghost. Contact information for the Department shall state "TOLL-FREE TELEPHONE: 1-866-576-3432".
 - 2). All sign lettering must be of sufficient size to be legible with un-aided normal eyesight from the point where the public will normally pass by the Property without intruding onto the Property.
 - 3). Grey Ghost shall submit photographs of the sign(s) and a Property drawing showing the location(s) of the sign(s). The photographs shall be submitted to the Department within ten (10) days of erecting the sign(s).
 - 4). Grey Ghost agrees to revise the sign if the Department determines the sign is inaccurate, not legible, or otherwise ineffectively placed.
 - 5). Grey Ghost shall maintain the sign(s) in legible condition and at visible locations throughout the duration of the Contract period until a Certificate of Completion is issued on the Property.
 - 6). The sign(s) may be removed to accommodate building or grading activities;

however, Grey Ghost shall restore the sign(s) within two (2) days to its original location, or other publicly accessible location upon notice to the Department.

PROGRESS UPDATES

7. Grey Ghost shall submit periodic written updates to the Department's project manager until such time as all activities related to the Property are complete pursuant to this Contract. The first update shall be due within 90 days of the execution date of this Contract and semi-annually thereafter.

A. The updates may be in summary letter format, but should include information about:

- 1). The actions taken under this Contract during the previous reporting period;
- 2). Actions scheduled to be taken in the next reporting period;
- 3). Sampling, test results, and any other data in summary form, generated during the previous reporting period regardless of whether the data was collected pursuant to this Contract; and,
- 4). A description of any environmental problems experienced during the previous reporting period and the actions taken to resolve them.

B. The Department's project manager may allow an extended schedule between updates based on case specific conditions.

SCHEDULE

8. Grey Ghost shall perform all activities and response actions pursuant to this Contract in an expeditious manner. In the event that circumstances cause a delay in implementation of the response actions, the Department may require implementation of interim measures to stabilize Contamination or prevent unacceptable exposures. Grey Ghost shall implement the interim measures in accordance with a Department-approved plan.

DECLARATION OF COVENANTS AND RESTRICTIONS

9. Grey Ghost or its Beneficiaries shall enter, and record, a Declaration of Covenants and Restrictions (Declaration) for the Property if Contamination exceeds levels acceptable for unrestricted use after completing the response actions pursuant to this Contract, or if otherwise required per Paragraphs 4.I.1.c. or 4.I.2.c of this Contract. Contaminant levels acceptable for unrestricted use shall be the Screening Levels for Resident Soil as specified in the EPA RSLs for soil, and the primary MCL standards for groundwater in the State Primary Drinking Water Regulations, 4 S.C. Code Ann. Regs. 61-58. The recorded Declaration shall be incorporated into this Contract as an Appendix and shall be implemented as follows:
 - A. The Department shall prepare and sign the Declaration prior to providing it to Grey Ghost. An authorized representative of Grey Ghost or its Beneficiaries shall sign the Declaration within ten (10) days of receipt. All signatures shall be witnessed, and signed and sealed by a notary public.
 - B. Grey Ghost or its Beneficiaries shall record the executed Declaration with the Registrar of Deeds or Mesne Conveyance for the county where the Property is located.
 - C. Grey Ghost or its Beneficiaries shall provide a copy of the recorded Declaration to the Department within sixty (60) days of the Department's execution. The copy shall show the date and Book and Page number where the Declaration has been recorded.
 - D. In the event that Contamination exceeds levels acceptable for unrestricted use (EPA RSLs for residential use and/or MCLs) on a portion of the Property, Grey Ghost or its Beneficiaries may create a new parcel of that portion of the property that will be subject to the Declaration.

- E. The Declaration shall be noted on the master deed of any planned development for the Property and noted, or referenced thereafter, on each individual deed of property subdivided from the Property and subject to the Declaration.
- F. The Declaration shall reserve a right of entry and inspection for Grey Ghost or its Beneficiaries that may be transferred to another single individual or entity for purposes of compliance monitoring.
- 1). Grey Ghost or its Beneficiaries shall ensure that the restrictions established by the Declaration remain on any subdivided property.
 - 2). Grey Ghost or its Beneficiaries shall create a procedure to provide a single point of contact responsible for documenting current land use and compliance with the Declaration regardless of the Property's ownership status. The procedure shall be reviewed and approved by the Department before it is implemented.
- G. The Declaration shall provide that the Department has an irrevocable right of access to the Property after Grey Ghost acquires the Property, and such right of access shall remain until remediation is accomplished for unrestricted use and monitoring is no longer required. Such access shall extend to the Department's authorized representatives and all persons performing response actions on the Property under the Department's oversight.
- H. Grey Ghost or its Beneficiaries, or the individual or entity responsible for compliance monitoring, shall annually document the Property's land use and compliance with the Declaration to the Department. The report shall be submitted by May 31st in a manner and form prescribed by the Department.
- I. The Department may amend the Declaration in response to changes in law, completion of remedial actions meeting the applicable standards in effect at the time, or if other circumstances of the Property change; however, said amendment

shall not be applied retroactively unless expressly provided for in the legislation. An amendment may strengthen, relax, or remove restrictions based on the EPA RSL Summary Table in effect at that time; however, the Department shall not impose a more restrictive condition based solely on changes in the EPA RSL Summary Table. An amendment to the Declaration shall be duly executed and recorded using procedures similar to those detailed above.

NOTIFICATION

10. All notices required to be given by either party to the other shall be in writing. Each party shall have a continuing obligation to identify a contact person, whose name, address, and telephone number must be updated to the other party, throughout the term of the Contract. Notices by electronic mail or facsimile shall be acceptable if acknowledged in writing by the recipient; with the delivery date being the date of acknowledgment or earlier date if stated in the acknowledgment. All other forms of notice shall be deemed sufficiently given if delivered at the address shown below, or at such place or to such agent as the parties may from time to time designate in writing, by: 1) regular U.S. Mail by which notice shall be deemed to occur seven (7) days after the postmark date; 2) Certified or Registered Mail by which notice shall be deemed to occur on the date received as shown on the receipt; 3) Commercial delivery service company by which notice shall be deemed to occur on the date received as shown on the receipt; or, 4) hand delivery to the other party.

A. All correspondence, notices, work plans, and reports shall be submitted to:

Jerry Stamps
Bureau of Land and Waste Management
2600 Bull Street
Columbia, South Carolina 29201

B. All correspondence and notices to Grey Ghost shall be submitted to Grey Ghost's

designated contact person who as of the effective date of this Contract shall be:

Christopher Butler
Grey Ghost Properties, LLC
70 Sea Island Parkway
Beaufort, South Carolina 29907

FINANCIAL REIMBURSEMENT

11. Grey Ghost or its Beneficiaries shall reimburse the Department for its public participation costs and for oversight costs of activities specific to this Contract as provided by S.C. Code Ann. § 44-56-750(D). The oversight costs shall include the direct and indirect costs incurred by the Department in implementing the Voluntary Cleanup Program as related to this Contract, and any future amendments thereto, and may include costs related to this Contract and incurred by the Department prior to execution of this Contract. Invoices for oversight costs will be sent to Grey Ghost on a quarterly basis. All costs are payable within thirty (30) days of the Department's invoice submitted to:

Christopher Butler
Grey Ghost Properties, LLC
70 Sea Island Parkway
Beaufort, South Carolina 29907

- A. Failure to submit timely payment for costs upon receipt of the Department's invoice is grounds for termination of the Contract pursuant to paragraph 16 herein.
- B. Payment for costs incurred by the Department pursuant to this Contract shall become immediately due upon termination of the Contract by any party pursuant to paragraph 16 herein.

ACCESS TO THE PROPERTY

12. Grey Ghost agrees the Department has an irrevocable right of access to the Property for environmental response matters after Grey Ghost acquires the Property. This right of access remains until such time as remediation is accomplished for unrestricted use and monitoring is no longer required, and shall extend to the Department's authorized representatives and all other persons performing response actions on the Property under the Department's oversight.

CERTIFICATE OF COMPLETION AND COVENANT NOT TO SUE

13. A Certificate of Completion shall be issued to Grey Ghost or its Beneficiaries for the Property under this Contract as follows:
 - A. Grey Ghost or its Beneficiaries shall request a Certificate of Completion pursuant to S.C. Code Ann. § 44-56-750(C)(1) after the response actions are completed and any required Declarations are recorded pursuant to this Contract. The request shall be in writing and shall report 1) the amount of soil that was removed or remediated on the Property; and 2) the cost of all environmental work conducted pursuant to this Contract.
 - B. Pursuant to § 44-56-750(C)(1) the Department shall issue the Certificate of Completion with its covenant not to sue upon determining that Grey Ghost or its Beneficiaries has successfully and completely complied with the Contract and the voluntary cleanup approved under S.C. Code Ann. §§ 44-56-710 through 760.
 - C. The Department may issue a Provisional Certificate of Completion if the substantive response actions required under this Contract are complete and a required Declaration has been recorded but all actions under this Contract have not been completed due to Property-specific circumstances.
 - 1). A Provisional Certificate of Completion will include specific performance standards that Grey Ghost or its Beneficiaries shall continue to meet.

- 2). The Provisional Certificate of Completion may include the Department's covenant not to sue for Existing Contamination; however, said covenant shall be automatically revoked if Grey Ghost or its Beneficiaries do not satisfactorily complete the requirements of the Contract as stipulated in the Provisional Certificate of Completion.

ECONOMIC BENEFITS REPORTING

14. Grey Ghost or its Beneficiaries shall report information to the Department that demonstrates that the activities pursuant to this Contract have been beneficial to the State and community. The report shall be submitted within two (2) years after the execution date of this Contract, and annually thereafter until two (2) years after redevelopment of the Property is complete. Grey Ghost shall summarize the new operations at the Property, the number of jobs created, the amount of property taxes paid, and the total amount invested in the Property for property acquisition and capital improvements.

CONTRACT OBLIGATIONS AND PROTECTIONS INURE

15. The terms, conditions, obligations and protections of this Contract apply to and inure to the benefit of the Department, Grey Ghost, and its Beneficiaries as set forth below. The following stipulations apply to ensure the transition of all obligations and protections to successive Beneficiaries for any portion of the Property:
 - A. Grey Ghost or its Beneficiaries shall provide a copy of this Contract and applicable Appendices to any subsequent Beneficiary. Transmittal of the Contract copy may be via any commonly accepted mechanism.
 - B. Grey Ghost and its Beneficiaries shall not allow residential occupancy on any portion of the Property prior to obtaining the Certificate of Completion or a Provisional Certificate of Completion specific to that portion of the Property allowing residential occupancy.

C. If the Certificate of Completion has not been issued, Grey Ghost or its Beneficiaries shall request approval from the Department prior to transferring the obligations and protections of this Contract to a new person or entity. The Department shall not unreasonably withhold its approval upon receipt of a Non-Responsible Party Application for Voluntary Cleanup Contract documenting that the new person or entity:

- 1). Is not a Responsible Party for the Site;
- 2). Has sufficient resources to complete the activities of this Contract;
- 3). Will not use the Property for activities that are inconsistent with the terms and conditions of this Contract;
- 4). Will assume the protections and all obligations of this Contract; and,
- 5). Will, in the Department's sole discretion, provide a measurable benefit to the State and the community as a result of this transfer.

D. If the Certificate of Completion has been issued and the portion of the Property is subject to a Declaration or other ongoing obligation pursuant to this Contract, Grey Ghost or its Beneficiaries shall provide written notification to the Department identifying the new individual or entity within thirty (30) days after the effective date of the ownership change or other possessory transfer of the Property.

- 1). The notification shall include a signed statement from the new individual or entity that its use of the Property will remain consistent with the terms of the Contract and the Declaration, and that it will assume the ongoing obligations and protections of this Contract.
- 2). This requirement is waived for an individual or entity acquiring a portion of the Property for individual residential or commercial use provided the Declaration is noted on the master deed for the planned development, and the Department has approved the procedure for a single point of contact responsible for documenting current land use and compliance with the Covenant.

- E. If a Certificate of Completion has been issued and the Property is not subject to a Declaration or other continuing obligation pursuant to this Contract, no notification is required.

CONTRACT TERMINATION

16. Grey Ghost, its Beneficiaries, and the Department each reserve the right to unilaterally terminate this Contract by giving thirty (30) days advance written notice to the other party. Termination shall be subject to the following:

- A. The Department may not terminate this Contract without cause and before termination, shall provide Grey Ghost or its Beneficiaries an opportunity to correct the cause(s) for termination, which may include, but is not limited to, the following:
- 1). Failure to complete the terms and conditions of this Contract;
 - 2). Change in Grey Ghost's or its Beneficiaries' business activities on the Property or use of the Property that are inconsistent with the terms and conditions of this Contract;
 - 3). Failure to submit timely payment for costs upon receipt of the Department's invoice;
 - 4). Failure of Grey Ghost or its Beneficiaries to implement appropriate response actions for additional Contamination or releases caused by Grey Ghost or its Beneficiaries;
 - 5). Knowingly providing the Department with false or incomplete information or knowing failure to disclose material information;
 - 6). Failure by Grey Ghost or its Beneficiaries to obtain the applicable permits from the Department for the response actions or other activities undertaken at the Property pursuant to this Contract; or,
 - 7). Failure by Grey Ghost or its Beneficiaries to make material progress toward the expansion, redevelopment, or reuse of the property as determined by the Department upon consideration of Grey Ghost's or its Beneficiaries' marketing efforts, regional economic conditions, and other pertinent information on the

Property.

- B. Should Grey Ghost or its Beneficiaries elect to terminate, that party shall certify to the Department's satisfaction that any environmental or physical hazards caused or contributed by Grey Ghost or its Beneficiaries have been stabilized or mitigated such that the Property does not pose hazards to human health or the environment.
- C. Termination of this Contract by any party does not waive the Department's authority to require response action under any applicable state or federal law.
- D. Termination of this Contract by any party does not end the obligations of Grey Ghost or its Beneficiaries to pay costs incurred by the Department pursuant to this Contract. Payment for such costs shall become immediately due.
- E. Upon termination, the protections provided under this Contract shall be null and void as to any party who participated in actions giving rise to termination of the Contract. Revocation of protections shall also apply to that party's lenders, parents, subsidiaries, and successors, including lessees, heirs, devisees, and other parties taking an interest in the Property through that party who participated in actions giving rise to termination of the contract. The protections will continue for any party who has received protections through a Certificate of Completion for this Contract, and who did not participate in the actions giving rise to the termination.

ENTITLEMENT OF PROTECTIONS AND BENEFITS

17. Grey Ghost and its Beneficiaries are entitled to the protections and benefits in regard to Existing Contamination provided by South Carolina statutes as follows:

- A. Effective on the date this Contract is first executed by the Department:
 - 1). Protection from contribution claims under CERCLA § 113, 42 U.S.C. § 9613 and SCHWMA § 44-56-200.

- 2). Protection from third-party claims as provided by S.C. Code Ann. § 44-56-750(H).
 - 3). Eligibility to file annual application for Voluntary Cleanup Activity Tax Credits pursuant to the Income Tax Act, S.C. Code Ann. § 12-6-3550 (2014).
- B. Effective on the date the Certificate of Completion is issued by the Department.
- 1). The Department's covenant not to sue Grey Ghost and its Beneficiaries for Existing Contamination but not for any Contamination, releases and consequences caused or contributed by Grey Ghost or its Beneficiaries.
 - 2). Specific tax credits or additional benefits expressly contingent in South Carolina statutes on issuance of the Certificate of Completion.
- C. These Protections and Benefits do not apply to any Contamination, releases, and consequences caused or contributed by Grey Ghost or its Beneficiaries. The Department retains all rights under State and Federal laws to compel Grey Ghost and its Beneficiaries to perform or pay for response activity for any Contamination, releases and consequences caused or contributed by Grey Ghost or its Beneficiaries.

RESERVATION OF RIGHTS BY THE DEPARTMENT

18. Nothing in this Contract is intended to be, or shall be construed as, a release or covenant not to sue for any claim or cause of action, past or future, that the Department may have against any person, firm, or corporation other than Grey Ghost and its Beneficiaries. The Department reserves the right to undertake future response actions at the Site and to seek to compel parties, other than Grey Ghost and its Beneficiaries, to perform or pay for response actions at the Site. Nothing in this Contract shall in any way restrict or limit the nature or scope of response actions that may be taken or be required by the Department in exercising its authority under State and Federal law.

RESERVATION OF RIGHTS BY GREY GHOST

19. Grey Ghost retains all rights to assert claims in law or equity against any person, company, or entity with respect to the Property, except as limited elsewhere by this Contract. Grey Ghost and its Beneficiaries specifically deny responsibility for response costs or damages resulting from Existing Contamination except for Contamination, releases, and consequences they cause or contribute. However, Grey Ghost and its Beneficiaries agree to undertake the requirements of this Contract.

BURDEN OF PROOF

20. Grey Ghost and its Beneficiaries shall have the continuing obligation to demonstrate that any newly discovered Contamination is not caused or contributed by Grey Ghost or its Beneficiaries. Grey Ghost and its Beneficiaries shall make this demonstration to the Department's satisfaction in accordance with State or Federal Law applicable to such newly discovered Contamination. For purposes of this clause, newly discovered Contamination means finding types of Contamination not previously identified at the Property or substantially higher concentrations of Existing Contamination.

LIMITATION OF CLAIMS BY GREY GHOST AND ITS BENEFICIARIES

21. In consideration of the protections from the Department under this Contract, Grey Ghost and its Beneficiaries agree not to assert any claims or causes of action against the Department or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Property pursuant to this Contract. This limitation shall not extend to any claims or causes of action resulting from the Department's intentional or negligent acts or omissions, or the Department's willful breach of this Contract.

[Remainder of page left blank]

SIGNATORS

22. The signatories below hereby represent that they are authorized to and do enter into this Contract on behalf of their respective parties.

**THE SOUTH CAROLINA DEPARTMENT OF HEALTH
AND ENVIRONMENTAL CONTROL**

BY:

DATE:

Daphne G. Neel, Chief
Bureau of Land and Waste
Management

DATE:

Reviewed by Office of General Counsel

GREY GHOST PROPERTIES, LLC

BY:

DATE:

Chas

9/18/17

Christopher A. Butler, Member
Printed Name and Title

APPENDIX A

Application for Non-Responsible Party Voluntary Cleanup Contract

Grey Ghost Properties, LLC

August 8, 2017